Alberta
weekly economic review

May 4, 2012

Canadian GDP by Industry

Canadian Economy hits a speed bump...

Canadian real GDP posted a surprise contraction in February. The 0.2% drop was focused in the goods producing sector, and was largely due to a decline in resource-related output, along with a decline in manufacturing. The mining sub-sector plummeted 7% on unplanned outages at nickel and copper mines and temporary closure of potash mines, according to Statistics Canada. The statistical agency also reported that oil and gas extraction fell 0.9% in February, mostly due to unplanned maintenance activities at crude oil facilities in Alberta. February's negative reading combined with the weak increase in January has many forecasters revising down their estimates of first quarter economic growth. On a year over year basis, the Canadian economy grew 1.6% in February.

Insolvency Statistics

Consumer bankruptcies continue to decline...

Alberta consumer bankruptcies declined 13.5% to 577 in November 2011, the thirteenth straight month of year-over-year declines. Over the same period, business bankruptcies stayed unchanged at 19.

Industrial Product & Raw Materials Price Index

IPPI inches up but RMPI continues to weaken...

The industrial products price index (IPPI), which measures the "plant gate" price that Canadian industrial producers receive for their goods, increased for the third straight month, rising by 0.2% in March. The gains were largely attributable to higher food prices, lumber prices, and petroleum and coal prices. The raw materials price index (RMPI) continued to decline, dropping 1.6% in March, after a 0.6% decrease in February, mainly reflecting a moderation in mineral fuel prices.

Purchasing Managers Index

Index signals manufacturing expansion in Canada & the US...

April's manufacturing purchasing managers index (PMI) reading, which measures activity in the manufacturing sector, continued to grow in both Canada and the US. The Canadian index remained in expansion territory for the third month in a row, (readings above 50.0 indicate expansion) rising by 0.9 in April to 53.3. Greater client demand drove the increase in the PMI reading, as 35% of survey respondents reported higher volumes of new orders, led by gains in Quebec. Alberta and British Columbia saw the slowest increase in new orders.

South of the border the US PMI rose by 1.4 in April to 54.8. The increased activity was mainly due to growth in new orders, expanding production and higher job growth in manufacturing. April marked the 33rd straight month of expansion in US manufacturing.

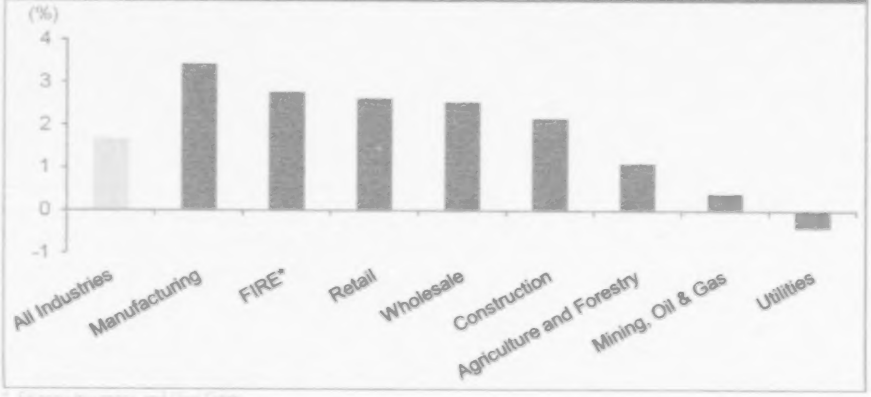
US Labour Force

US job growth cools...

Job gains in the US slowed for the second straight month in April, indicating that the US hiring spree earlier this year has eased. The US economy created 115,000 jobs in April, well below market expectations and below the revised 154,000 created in March. On a positive note, February and March job numbers were revised up a combined 53,000.

The US unemployment rate dropped again by 0.1 percentage points to 8.1%. However, the decline was entirely due to people leaving the workforce. The labour participation rate now sits at a 30 year low of 63.6% (this rate is the percentage of people older than 16, who are employed or who are unemployed but searching for work).

Canadian GDP by Industry (year-to-date** percentage change)



* Finance, Insurance, and Real Estate.

** January to February 2012 compared to January to February 2011 percentage change.

Closing Prices	April 26, 2012	May 3, 2012	2011–12 Fiscal YTD
Canadian Dollar ($US/$CAN)	101.62	101.84	100.42
WTI Oil ($US/bbl)	$104.50	$102.64	$103.61
NYMEX Natural Gas ($US/MMBtu)	$2.04	$2.07	$2.07

Alberta Economic Indicators1

Population	2010	2011	2012YTD	Nov	Dec	Jan	Feb	Mar	Apr
Population [2] (000)	3,721	3,779	3,816			3,816			
% change	1.3	1.6	2.0			2.1			
Net Interprovincial Migration [3] (level)	2,183	13,660	9,146			4,010			
Net International Migration [3] (level)	21,531	14,093	13,677			6,291			
Net Non-permanent Residents [3] (level)	-77	7,964	2,400			105			
Labour Market									
Employment (000's)	2,017	2,094	2,132	2,152	2,150	2,135	2,138	2,132	
% change	0.4	3.8	3.3	4.9	4.3	3.9	2.8	3.1	
Unemployment Rate (%)	6.5	5.5	5.1	5.0	4.9	4.9	5.0	5.3	
Participation Rate (%)	72.9	73.7	73.9	74.2	74.0	74.1	73.7	74.0	
Average Weekly Earnings [3]	993	1,039.5	1,066.8	1,049.0	1,049.8	1,066.1	1067.57		
% change	4.5	4.7	2.6	3.9	4.4	2.5	2.7		
Price Indices									
Consumer Price Index	1.8	2.4	2.2	2.2	2.3	2.9	1.9	1.7	
Excluding food and energy	0.8	0.8	1.3	1.5	1.2	1.1	1.0	1.5	
Non-Res. Building Const. Price Index [4]	-0.1	3.4			4				
Farm Product Price Index	3.9	17.4	5.0	12.0	10.3	2.1	2.0		
Crops	14.5	19.1	2.8	4.5	1.8	0.8	-4.7		
Livestock	6.7	17.2	12.4	10.4	17.0	15.0	10.0		
Household Sector									
Housing Starts (SAAR, 000's)	20.8	25.5	31.2	32.1	28.5	28.0	33.1	36.5	
% change	34.5	5.3	49.1	36.6	36.3	34.2	43.7	69.9	
Housing Price Index*	0.5	0.4	0.4	0.4	0.5	0.1	0.2		
Edmonton	0.8	0.9	0.7	1.1	1.2	1.3	0.1		
Calgary	1.7	0.1	0.2	-0.3	0.1	0.1	0.4		
MLS Average Resale Prices ($ 000's)	350.9	352.7	354.2	356.6	351.0	344.0	360.5	359.0	
% change	3.1	0.5	0.3	0.3	-0.5	-2.7	7.2	2.3	
Edmonton ($ 000's)	326.5	326.5	330.5	336.0	330.0	325.3	344.5	331.7	
% change	2.3	-0.7	2.8	0.9	1.3	0.7	4.8	3.0	
Calgary ($ 000's)	397.4	401.9	399.6	399.7	402.4	378.5	410.5	406.5	
% change	3.4	1.1	-1.2	0.2	1.7	-6.5	0.5	-2.2	
Retail Sales	6.6	7.0	10.0	8.5	7.9	11.0	9.1		
New Motor Vehicle Sales	9.5	9.6	18.5	13.5	12.4	21.9	15.1		
NEW: Consumer Bankruptcies (level)	8,150	5,969*		577					
% change	-18.4	-14.3*		13.5					
Business Sector									
Rig Drilling (level)	207	285	336	330	336	401	459	335	147
% change	61.3	37.9	4.7	19.4	25.8	7.8	9.9	7.6	14.4
Goods Exports (billions) (level)	12.4	18.3	15.0	18.4	14.3	13.5	16.7		
Energy	17.2	19.2	14.7	20.6	14.8	12.8	16.9		
Agriculture	14.4	21.4	22.8	31.7	30.3	37.4	18.4		
Total Farm Cash Receipts (quarterly)	-3.9	16.2	--	--	22.3		--	--	
Manufacturing Shipments	11.0	18.0	17.5	25.7	16.3	16.6	18.4		
Wholesale Trade	10.8	14.8	16.3	17.3	15.7	15.6	17.0		
Building Permits	-2.1	11.2	-4.6	10.7	46.6	35.4	22.7		
Residential	24.7	4.7	36.8	30.0	33.6	34.2	30.3		
Non-residential	-19.0	20.4	-33.9	-10.1	67.1	51.7	-53.2		
NEW: Business Bankruptcies (level)	376	227*		19					
% change	-6.7	-27.9*		0.0					

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year-over-year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

[3] Quarterly, average of Calgary and Edmonton.

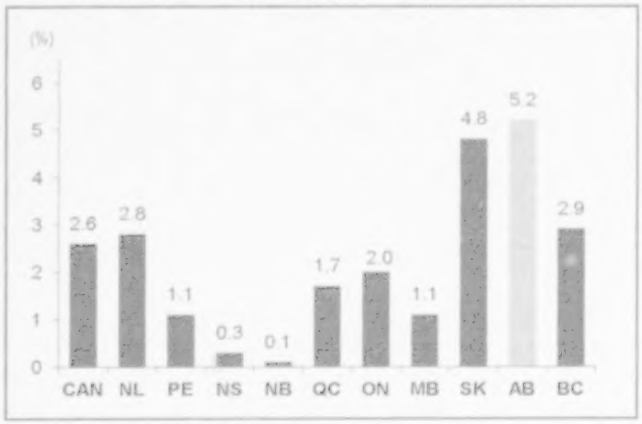
* Average of Calgary and Edmonton.

** Represents 2011 year-to-date.

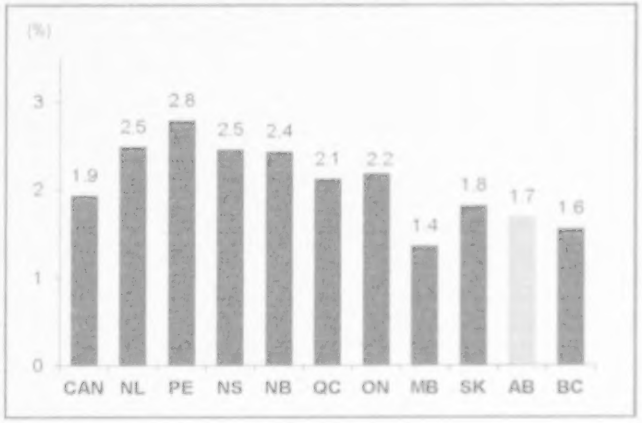
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

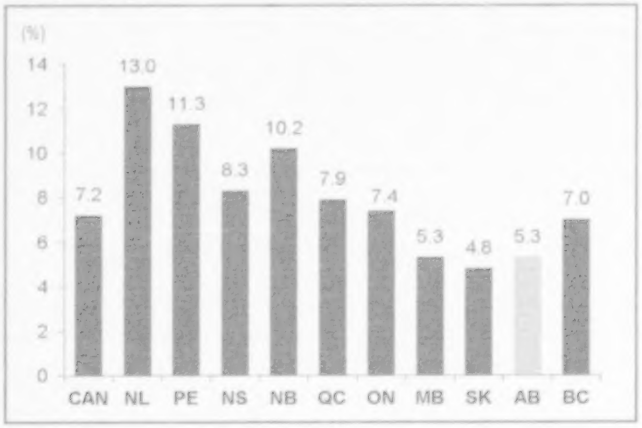
Real GDP Growth by Industry
2011 prelimenary estimates, year-over-year growth)



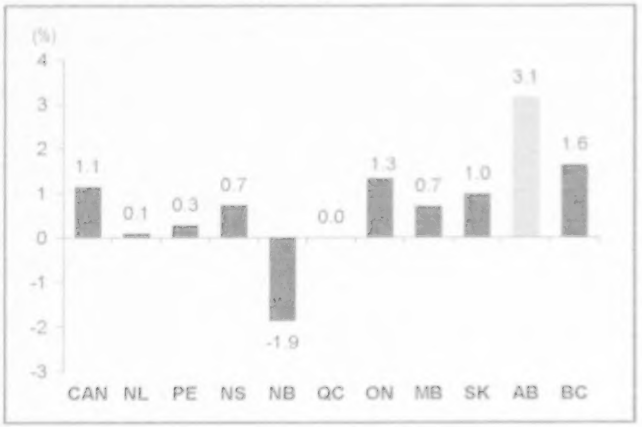
CPI Inflation
(March 2012, year-over-year growth)



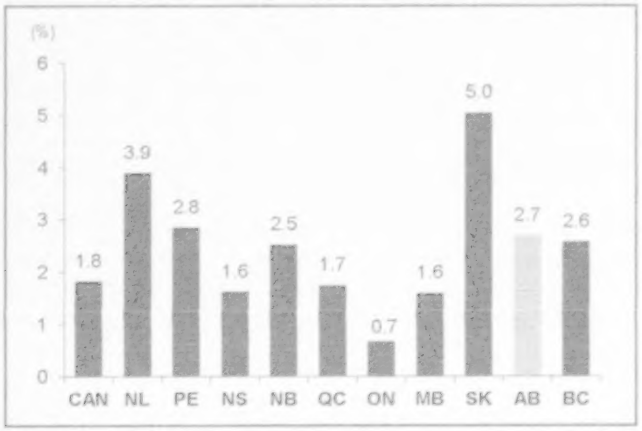
Unemployment Rate
(March 2012)



Employment
(March 2012, year-over-year growth)



Average Weekly earnings
(February 12, year-over-year growth)



Housing Starts
(March 2012, SAAR, year-over-year growth)